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SUBJECT: Management Study of Finance Division, Office of the Comptroller

CONCURRENCE:

*

/s/

AUG 22 1955

EDWARD R. SAUNDERS
Comptroller

Date

ACTION BY APPROVING AUTHORITY:

APPROVED: SEP 26 1955

SIGNED

Deputy Director (Support)

* I concur in the report as prepared, but I may want to defer action for a while on setting up the Industrial Contract Audit Branch as a Division under the Comptroller. A new man has been recruited to head up the Industrial Contract Audit Branch, and it may be advisable to defer an organizational change until the new man has had an opportunity to acquaint himself with the operations of the Agency.

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Functions

Office of the Chief

1. Responsible for the administration of all confidential funds.
2. Directs inspections of foreign stations for financial administrative review and guidance of confidential funds activities.
3. Advises the HF Career Service Board on training, assignment, and rotation of foreign and domestic Finance employees.

Registry Unit

1. Maintains files and correspondence relating to covert financial activities.
2. Receives and dispatches all mail and pouch material for the Division.
3. Performs logging, recording, and routing functions necessary for proper control of documents within the Division.

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Functions

Accounts Branch

1. Reviews and maintains financial records and accounts on all covert financial support.
2. Prepares periodic financial reports, balance sheets and statements on combined covert financial operations.
3. Prepares financial report for administrative use of operating divisions.
4. Reviews monthly financial reports from Class A field stations and prepares the necessary instructions to overseas stations to implement accounting policies and procedures.
5. Maintains follow-up on all delinquent personal advances made to Agency employees.
6. Reviews financial statements [REDACTED] determines the change in Agency equity and other activities affecting the Agency accounts; and prepares appropriate entries for the accounting records.
7. Determines that financial statements are in accordance with the administrative plan both as to form and content.
8. [REDACTED]
9. Advises all components of Finance Division as to the application and interpretation of accounting policy and procedures.

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Functions

Operations and Liaison Branch

1. Insures that confidential funds are made available in an effective, timely and secure manner and that control and accountings for each fund is of such a character as to protect the Director in the discharges of his responsibilities for the proper expenditure of confidential funds under Public Law 110.
2. Assists and advises officials and employees of covert activities relative to financial procedures, implications and plans in connection with covert projects and operations.
3. Initiates, develops and coordinates regulations, instructions and criteria on covert financial support functions.
4. Assists and coordinates with IS and operating divisions in the development of financial guides and standards for application
[REDACTED]
5. Coordinates finance training program for personnel who will in some degree handle confidential funds finance matters.
6. Audits and certifies vouchers, accountings and claims pertaining to confidential funds.
7. Performs all payroll and allowance functions for Staff Agents, Contract Agents, Contract employees and Military personnel paid from confidential funds.

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Functions

Payroll and Travel Branch

1. Maintains individual payroll, leave and allowance files and records on all Staff employees paid from unvouchered funds.
2. Audits time and attendance reports submitted by operating units on Staff employees.
3. Prepares confidential funds payrolls on Staff employees and distributes checks.
4. Posts and reconciles payments of salary and allowances made at foreign stations.
5. Maintains tax and retirement accounts on all Staff employees paid from confidential funds.
6. Prepares periodic financial reports on payroll matters.
7. Audits and certifies travel vouchers for both civilian and military personnel.

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Functions

Industrial and Internal Audit Division

1. Performs audit services in connection with proposed, current, completed, and terminated contracts except those for personal services.
2. Audits contractors' vouchers in the light of agency contracts and amendments thereto.
3. Establishes accounting procedures and instructions for contractors regarding billing and accounting requirements.
4. Effects properly authorized payments to contractors on a timely basis in accordance with the terms and conditions of the contracts and amendments.
5. Assists the Logistics Office in maintaining equitable and cooperative relationships with contractors.
6. Performs such internal audit of the financial operations and records of the agency as directed by the Comptroller.

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FUNCTIONAL AND PROCEDURAL CHANGES MADE DURING SURVEY

1. DECREASE IN THE ELAPSED TIME REQUIRED FOR RECORDING FINANCIAL TRANSACTIONS

A schedule was established which will reduce the elapsed time required for recording financial transactions on the official records of the Agency. The reduction will average approximately 3 working days. This results in more accurate financial clearing of personnel resigning from the Agency and a resultant decrease in the work burden of attempting to collect monies owed the Agency by those no longer employed. This also made possible the elimination of certain subsidiary financial records which were being maintained in the Travel Section.

2. REDUCTION OF NOTICES ON DELINQUENT ACCOUNTS

The number of notices sent to the Area Divisions on each delinquent advance account was reduced from 4 to 2. This will not only decrease the work load involved but will bring delinquencies to the attention of the DD/S sixty days earlier.

3. CHANGE IN PROCEDURE: "RECORDS OF TRANSPORTATION FURNISHED" - STAFF AGENTS

Procedure was changed whereby it is not now necessary for an Operations and Liaison Branch certifying officer to approve these forms prior to their being processed for payment by the Travel Section. This will eliminate one step in the processing and expedite the payment of the carrier's invoice.

4. CHANGE IN PROCEDURE - "TRANSFER OF ACCOUNTS" FORM

A new procedure was established which will require the operations and Liaison Branch to process only those "Transfers of Accounts" which require certification. This will decrease by approximately 90% the number of "Transfers of Accounts" forms formerly processed by the Operations and Liaison Branch; will eliminate the logging of these in and out of the Branch; and will expedite their recording on the accounting records.

5. TRIAL REORGANIZATION OF TRAVEL SECTION

Three units were established: Domestic Audit Unit; Foreign Audit Unit; Processing and Control Unit. This type of organization permitted the elimination of various logging

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operations thereby releasing personnel for the primary function of auditing vouchers. Before the new units and procedures were in operation, a backlog of 15 to 20 days of auditing work existed. Travel vouchers are now being audited for payment within 48 hours. This report formalizes the new organization.

6. CHANGE IN PROCEDURE - ELIMINATION OF SUBSIDIARY FINANCIAL RECORDS IN TRAVEL SECTION

Hand posted subsidiary financial records, which were being maintained in the Travel Section, were eliminated.

7. AMENDMENT OF PRESENT RECORDS DISPOSAL SCHEDULE

The disposal schedule was amended to permit the destruction of old pseudo cards. This will eliminate the maintenance of a file.

8. ELIMINATION OF INACTIVE ACCOUNTS PAYABLE FILE

The elimination of this file will allow personnel to expend more time on productive work.

9. CHANGE IN FUNCTION - FOLLOW UP ON DELINQUENT ADVANCE ACCOUNTS

Follow-up on all individual delinquent advance accounts was centralized in the Accounts Branch. Better administrative control should result.

10. CHANGE IN PROCEDURES - PAYROLL CHANGE NOTICES

The procedure for forwarding payroll change notices by Agent Services Section and the Payroll and Travel Branch to Machine Records Division was changed in order to spread the work load over the last two weeks of each pay period instead of concentrating it at the end of the period. This should tend to decrease overtime.

11. CHANGE IN PROCEDURE - ADVANCE COPIES OF PROPERTY RECEIVING DOCUMENTS

The new procedure establishes Fiscal Division as the receiving office for these documents. It will eliminate their handling by the Accounts Branch, Finance Division, and expedite the payment of vendors' invoices.

12. CHANGE IN LAYOUT - TRAVEL SECTION AND PAYROLL SECTION

A counter-type railing was erected in the Travel Section office; one person was designated to receive all hand-carried travel vouchers and answer all questions pertaining to their processing. By eliminating confusion, a more efficient operation

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should result.

Additional space was obtained for the Payroll Section. Payroll units were relocated in order to improve working conditions of the personnel and thereby increase individual performance.

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